

**ALISTITHMAR CAPITAL SMALL MID-CAP SAUDI COMPANIES FUND**

An open-ended mutual fund

**(Managed by Alistithmar For Financial Securities  
And Brokerage Company)**

**Condensed Interim Financial Statements (Unaudited)**

**For the period from 24 November 2024**

**(Date of commencement of the Fund) to 30 June 2025**

together with the

**Independent Auditor's Review Report to the Unitholders**



## KPMG Professional Services Company

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P.O. Box 92876  
Riyadh 11663  
Kingdom of Saudi Arabia  
Commercial Registration No 1010425494

Headquarters in Riyadh

## شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

واجهة روشن، طريق المطار  
صندوق بريد ٩٢٨٧٦  
الرياض ١١٦٦٣  
المملكة العربية السعودية  
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

# Independent auditor's report on review of condensed interim financial statements

To the Unitholders of Alistithmar Capital Small Mid-Cap Saudi Companies Fund

## Introduction

We have reviewed the accompanying 30 June 2025 condensed interim financial statements of **Alistithmar Capital Small Mid-Cap Saudi Companies Fund** ("the Fund"), managed by Alistithmar for Financial Securities and Brokerage Company ("the Fund Manager"), which comprises:

- the condensed interim statement of financial position as at 30 June 2025;
- the condensed interim statement of comprehensive income for the period from 24 November 2024 to 30 June 2025;
- the condensed interim statement of changes in net assets (equity) attributable to the Unitholders for the period from 24 November 2024 to 30 June 2025;
- the condensed interim statement of cash flows for the period from 24 November 2024 to 30 June 2025; and
- the notes to the condensed interim financial statements.

The Fund Manager is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 'Interim Financial Reporting' ("IAS 34"), that is endorsed in the Kingdom of Saudi Arabia and to comply with the applicable provisions of the Investment Fund Regulations issued by the Capital Market Authority and the Fund's Terms and Conditions. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.


## Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' that is endorsed in the Kingdom of Saudi Arabia. A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2025 condensed interim financial statements of **Alistithmar Capital Small Mid-Cap Saudi Companies Fund** are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

## KPMG Professional Services Company

  
**Nasser Ahmed Al Shutairy**  
License No: 454

Al Riyadh, 05 Safar 1447H  
Corresponding to: 30 July 2025



**ALISTITHMAR CAPITAL SMALL MID-CAP SAUDI COMPANIES FUND**

An open-ended mutual fund

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**

As at 30 June 2025

*(Amounts in Saudi Arabian Riyals)*

		<b>30 June 2025</b>
	<i>Notes</i>	<b>(Unaudited)</b>
<b><u>ASSETS</u></b>		
Cash and cash equivalents	9	<b>10,308,944</b>
Dividend receivable		<b>121,295</b>
Investments at fair value through profit or loss	10	<b>93,276,458</b>
<b>Total assets</b>		<b>103,706,697</b>
<b><u>LIABILITIES</u></b>		
Management fee payable	12, 13	<b>175,716</b>
Accrued expenses		<b>59,547</b>
<b>Total liabilities</b>		<b>235,263</b>
<b>Net assets (equity) attributable to the Unitholders</b>		<b>103,471,434</b>
<b>Units in issue (numbers)</b>		<b>10,240,076</b>
<b>Net assets (equity) attributable to each unit (SAR)</b>		<b>10.10</b>

The accompanying notes 1 to 18 form an integral part of these condensed interim financial statements.

**ALISTITHMAR CAPITAL SMALL MID-CAP SAUDI COMPANIES FUND**  
An open-ended mutual fund  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME** (Unaudited)  
For the period from 24 November 2024 to 30 June 2025  
*(Amounts in Saudi Arabian Riyals)*

	<i>Notes</i>	<b>For the period from 24 November 2024 to 30 June 2025</b>
<b><u>INCOME</u></b>		
Dividend income		1,289,372
Loss on investments, net	11	<u>(2,472,951)</u>
<b>Total loss</b>		<u><b>(1,183,579)</b></u>
<b><u>EXPENSES</u></b>		
Management fee	12, 13	(819,741)
Custody fee		(39,903)
Other expenses		<u>(275,564)</u>
<b>Total expenses</b>		<u><b>(1,135,208)</b></u>
<b>Net loss for the period</b>		<b>(2,318,787)</b>
Other comprehensive income for the period		--
<b>Total comprehensive loss for the period</b>		<u><u><b>(2,318,787)</b></u></u>

The accompanying notes 1 to 18 form an integral part of these condensed interim financial statements.

**ALISTITHMAR CAPITAL SMALL MID-CAP SAUDI COMPANIES FUND**  
An open-ended mutual fund  
**CONDENSED INTERIM STATEMENT OF CHANGES IN NET ASSETS (EQUITY)**  
**ATTRIBUTABLE TO THE UNITHOLDERS** (Unaudited)  
For the period from 24 November 2024 to 30 June 2025  
*(Amounts in Saudi Arabian Riyals)*

	<b>For the period from 24 November 2024 to 30 June 2025</b>
<b>Net assets (equity) attributable to the Unitholders at the beginning of the period</b>	--
<b>Total comprehensive loss for the period</b>	<b>(2,318,787)</b>
<b>Contributions and redemptions by the Unitholders:</b>	
Contributions by the Unitholders	<b>110,573,241</b>
Redemptions by the Unitholders	<b>(4,783,020)</b>
Net contributions by the Unitholders	<b>105,790,221</b>
<b>Net assets (equity) attributable to the Unitholders at the end of the period</b>	<b>103,471,434</b>

**UNITS TRANSACTIONS** *(numbers)*

	<b>For the period from 24 November 2024 to 30 June 2025</b>
<b>Units at the beginning of the period</b>	--
Units issued during the period	<b>10,707,032</b>
Units redeemed during the period	<b>(466,956)</b>
Net increase in units	<b>10,240,076</b>
<b>Units at the end of the period</b>	<b>10,240,076</b>

The accompanying notes 1 to 18 form an integral part of these condensed interim financial statements.

**ALISTITHMAR CAPITAL SMALL MID-CAP SAUDI COMPANIES FUND**

An open-ended mutual fund

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (Unaudited)**

For the period from 24 November 2024 to 30 June 2025

*(Amounts in Saudi Arabian Riyals)*

		<b>For the period from 24 November 2024 to 30 June 2025</b>
	<i>Notes</i>	
<b>Cash flows from operating activities</b>		
Net loss for the period		(2,318,787)
<i>Adjustment for:</i>		
Dividend income		(1,289,372)
Loss on investments, net	11	2,472,951
		<u>(1,135,208)</u>
<b>Net (increase) / decrease in operating assets and net increase / (decrease) in operating liabilities:</b>		
Investments		(95,749,409)
Management fee payable		175,716
Accrued expenses		59,547
<b>Cash used in operations</b>		<u>(96,649,354)</u>
Dividend income received		1,168,077
<b>Net cash used in operating activities</b>		<u>(95,481,277)</u>
<b>Cash flows from financing activities</b>		
Contributions by the Unitholders		110,573,241
Redemptions by the Unitholders		(4,783,020)
<b>Net cash generated from financing activities</b>		<u>105,790,221</u>
<b>Net increase in cash and cash equivalents</b>		10,308,944
Cash and cash equivalents at the beginning of the period		--
<b>Cash and cash equivalents at the end of the period</b>	9	<u><u>10,308,944</u></u>

The accompanying notes 1 to 18 form an integral part of these condensed interim financial statements.

**ALISTITHMAR CAPITAL SMALL MID-CAP SAUDI COMPANIES FUND**  
An open-ended mutual fund  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)**  
For the period from 24 November 2024 to 30 June 2025  
*(Amounts in Saudi Arabian Riyals)*

**1. GENERAL**

Alistithmar Capital Small Mid-Cap Saudi Companies Fund (the “Fund”) is an open-ended investment fund created by an agreement between Alistithmar for Financial Securities and Brokerage Company (“Alistithmar Capital” or the “Fund Manager”), a wholly owned subsidiary of The Saudi Investment Bank (the “Bank”), and the investors (the “Unitholders”).

The Fund was established on 4 Rabi Al-Thani 1446H (corresponding to 7 October 2024) as per notification to the Capital Market Authority (CMA) and commenced its operations on 23 Jumada Al-Awwal 1446H (corresponding to 24 November 2024). Therefore, these financial statements are prepared from 24 November 2024 (date of commencement of operations) to 30 June 2025 and accordingly no comparatives have been presented.

The Fund aims to achieve long term capital appreciation for unit holders by investing in shares of small and medium sized companies listed in on the Saudi Stock market that comply with the Fund’s Sharia standards.

Alistithmar Capital is the Fund Manager and Riyadh Capital Company (“Riyad Capital”) is the custodian of the Fund.

In dealing with the Unitholders, the Fund Manager considers the Fund as an independent accounting unit. Accordingly, the Fund Manager prepares separate condensed interim financial statements of the Fund.

**2. REGULATING AUTHORITY**

The Fund is governed by the Investment Fund Regulations (the “Regulations”) published by Capital Market Authority (“CMA”).

**3. BASIS OF ACCOUNTING**

These condensed interim financial statements are prepared in accordance with International Accounting Standard 34 ‘Interim Financial Reporting’ (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia and to comply with the applicable provisions of the Investment Fund Regulations issued by the Capital Market Authority (“CMA”) and the Fund’s terms and conditions. The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements.

**4. BASIS OF MEASUREMENT**

These condensed interim financial statements have been prepared on a historical cost basis, using the accrual basis of accounting and the going concern concept, except for measurement of investments at fair value.

The Fund does not have a clearly identifiable operating cycle and therefore does not present current and non-current assets and liabilities separately in the statement of financial position. Instead, assets and liabilities are presented in order of their liquidity.

**5. FUNCTIONAL AND PRESENTATION CURRENCY**

These condensed interim financial statements are presented in Saudi Arabian Riyals (“SAR”), which is the Fund’s functional currency. All amounts have been rounded to the nearest SAR, unless otherwise indicated.

**ALISTITHMAR CAPITAL SMALL MID-CAP SAUDI COMPANIES FUND**  
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**6. USE OF JUDGMENTS AND ESTIMATES**

In preparing these condensed interim financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

**7. MATERIAL ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these condensed interim financial statements are set out below.

**(a) Revenue recognition**

Dividend income

Dividend income is recognised in the statement of profit or loss on the date on which the right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Fund and the amount of the dividend can be measured reliably. For quoted equity securities, this is usually the ex-dividend date. For unquoted equity securities, this is usually the date on which the shareholders approve the payment of a dividend. Dividend income from equity securities designated as at Fair value through Profit or loss ("FVTPL") is recognised in profit or loss in a separate line item.

Gain on investments, net

Gain on investments, net includes all realised and unrealised fair value changes and foreign exchange differences (if any), but excludes interest and dividend income. These are recognised in profit or loss in a separate line item.

Net realised gain from financial instruments at FVTPL is calculated using the weighted average cost method.

**(b) Fee and other expenses**

Fee and other expenses are recognized in profit or loss as the related services are received.

**(c) Financial assets and financial liabilities**

***Recognition and initial measurement***

Financial assets and financial liabilities at FVTPL are initially recognised on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they are originated.

Financial assets and financial liabilities at FVTPL are initially recognised at fair value, with transaction costs recognised in the profit or loss. Financial assets or financial liabilities not at FVTPL are initially recognised at fair value plus / (minus) transaction costs that are directly attributable to their acquisition or issue.

***Classification of financial assets***

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

Financial asset at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



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(Amounts in Saudi Arabian Riyals)

**7. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**(c) Financial assets and financial liabilities (continued)**

Financial asset at fair value through other comprehensive income ("FVOCI")

A financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated as FVTPL.

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent fair value changes in other comprehensive income ("OCI"). This election is made on an investment-by-investment basis.

Financial asset at fair value through profit or loss ("FVTPL")

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

Business model assessment

The Fund Manager makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual commission revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Fund's Manager;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Fund's stated objective for managing the financial assets is achieved and how cash flows are realised.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Fund's original expectations, the Fund does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Financial assets that are held for trading and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

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(Amounts in Saudi Arabian Riyals)

**7. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**(c) Financial assets and financial liabilities (continued)**

Business model assessment (continued)

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Commission / Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Fund considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

**Classification of financial liabilities**

The Fund classifies its financial liabilities at amortised cost using the effective interest method unless it has designated liabilities at FVTPL.

**Derecognition**

The Fund derecognises a financial asset (or where applicable, a part of a financial asset or a part of group of similar financial assets) when the contractual rights to receive the cash flows from the financial asset have expired, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Fund neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) is recognized in profit or loss.

Transactions in which the Fund transfers assets recognized on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or portion of them, the transferred assets are not derecognized. Transfers of assets with retention of all or substantially all of the risks and rewards include sale and repurchase transactions.

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**7. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**(c) Financial assets and financial liabilities (continued)**

***Classification of financial liabilities (continued)***

Transactions in which the Fund neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Fund continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

The Fund derecognize a financial liability when its contractual obligations are discharged or cancelled, or expired.

***Offsetting***

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Fund currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS as endorsed in the Kingdom of Saudi Arabia, or for gains and losses arising from a group of similar transactions such as in the Fund's trading activity.

***Write-off***

The gross carrying amount of a financial asset is written off when the Fund has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

**(d) Cash and cash equivalents**

Cash and cash equivalents comprise deposits with banks, cash held with broker in trading account and with custodian in investment account and highly liquid financial assets with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value and are used by the Fund in the management of short-term commitments.

**(e) Redeemable Units**

The Fund classified financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

The Fund has redeemable units in issue. On liquidation of the Fund, they entitle the holders to the residual net assets. They rank pari passu in all respects and have identical terms and conditions. The redeemable units provide investors with the right to require redemption for cash at a value proportionate to the investor's share in the Fund net assets at each redemption date and also in the event of the Fund's liquidation.

Redeemable units are classified as equity as it meets all of the following conditions:

- it entitles the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation;
- it is in the class of instruments that is subordinate to all other classes of instruments;
- all financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;
- apart from the contractual obligation for the Fund to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability; and
- the total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in recognized net assets or the change in the fair value of the recognized and unrecognized net assets of the Fund over the life of the instrument.

Incremental costs directly attributable to the issue or redemption of redeemable units are recognized directly in equity as a deduction from the proceeds or part of the acquisition cost

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*(Amounts in Saudi Arabian Riyals)*

**8. NEW STANDARDS**

*(a) New IFRS standards, IFRIC interpretations and amendments thereof issued but not yet effective*

The following new standards, amendments and revisions to existing standards, which were issued by IASB but not yet effective are listed below. The Fund intends to adopt these standards when they become effective. The Fund anticipates that the application of these new standards and amendments in the future will not have significant impact on the amounts reported.

<u>Standards / Amendments</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
Amendments to IFRS 9 and IFRS 7	Classification and measurement of Financial Instruments	1 January 2026
IFRS Accounting Standards - Volume 11	Annual improvements to IFRS Accounting Standards	1 January 2026
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between investor and its associate or joint venture	Effective date deferred indefinitely
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Reducing subsidiaries' disclosures	1 January 2027

**9. CASH AND CASH EQUIVALENTS**

	<u>Note</u>	<b>30 June 2025</b>
Cash with custodian	9.1	<b><u>10,308,944</u></b>

9.1 The Fund's cash and cash equivalents are held mainly with counterparties having "A-" credit rating.

**10. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>30 June 2025</b>
Investments in equity securities	<b><u>93,276,458</u></b>

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*(Amounts in Saudi Arabian Riyals)*

**10. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)**

The table below summarizes the Fund's exposure to listed equity securities of various industry sectors in the Kingdom of Saudi Arabia:

<b><u>Industry Sector</u></b>	<b>30 June 2025</b>	
	<b><u>Carrying amount *</u></b>	<b><u>Fair value</u></b>
Industrial	19,971,874	19,610,747
Materials	14,003,337	13,440,162
Financials	13,599,119	12,637,824
Real Estate	10,413,354	9,421,331
Consumer Discretionary	9,372,515	9,078,383
Energy	7,440,672	6,943,750
Health Care	8,160,985	6,830,513
Telecom & IT	6,638,907	5,678,649
Communication Services	3,664,317	3,291,400
Insurance	2,063,625	2,282,342
Utilities	2,308,419	2,071,293
Capital Goods	1,914,370	1,990,064
	<b><u>99,551,494</u></b>	<b><u>93,276,458</u></b>

\* This represents carrying amount before fair value remeasurement as at the reporting date.

**11. LOSS ON INVESTMENTS, NET**

	<b>For the period from 24 November 2024 to 30 June 2025</b>
Realised gain, net	3,802,085
Unrealised loss, net	(6,275,036)
	<b><u>(2,472,951)</u></b>

**12. MANAGEMENT FEE**

As per the terms and conditions of the Fund, the Fund pays management fee to the Fund Manager equal to 1.75% per annum of the net assets value at each valuation date. Additionally, administration expenses paid by the Fund Manager on behalf of the Fund are reimbursed by the Fund and related expenses, if any, payable to the Fund Manager are classified in accrued expenses.

**ALISTITHMAR CAPITAL SMALL MID-CAP SAUDI COMPANIES FUND**  
An open-ended mutual fund  
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*(Amounts in Saudi Arabian Riyals)*

**13. TRANSACTIONS WITH RELATED PARTIES**

The related parties of the Fund include the Parent of the Fund Manager, the Fund Manager, the Fund Board and other funds managed by the Fund Manager. The Fund transacts business with its related parties in the ordinary course of its business.

In addition to transactions disclosed elsewhere in these condensed interim financial statements, related party transactions and balances resulting from these transactions are as follows:

**Transactions with related parties:**

			<b>For the period from 24 November 2024 to 30 June 2025</b>
<b><u>Related party</u></b>	<b><u>Nature of relationship</u></b>	<b><u>Nature of transaction</u></b>	
Alistithmar Capital	The Fund Manager	Management fee	<b>819,741</b>
		Securities transaction cost	<b>65,341</b>
		Expenses paid on behalf of the fund	<b>68,000</b>
The Fund Board	The Fund Board	The Fund Board Fee	<b>4,959</b>

**Balances with related parties:**

<b><u>Related party</u></b>	<b><u>Nature of relationship</u></b>	<b><u>Nature of balance</u></b>	<b>30 June 2025</b>
Alistithmar Capital	The Fund Manager	Management fee payable	<b>175,716</b>
		Accrued expenses	<b>56,160</b>

**Units held with related parties:**

<b><u>Related party</u></b>	<b><u>Nature of relationship</u></b>	<b>30 June 2025</b>
Alistithmar Capital	The Fund Manager	<b>650,000</b>

**14. FAIR VALUES OF FINANCIAL INSTRUMENTS**

The Fund measures certain financial instruments at fair value at each statement of financial position date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Fund. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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**14. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)**

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Changes in assumptions about these factors could affect the fair value of financial instruments.

***Valuation models***

The fair values of financial instruments that are traded in active markets are based on prices obtained directly from an exchange on which the instruments are traded or obtained from a broker that provides an unadjusted quoted price from an active market for identical instruments.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgment depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Fund values equity securities that are traded on a stock exchange at their last reported prices. To the extent that equity securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy, hence the Fund's assets recorded at fair value have been categorized based on fair value hierarchy Level 1.

***Fair value hierarchy – Financial instruments measured at fair value***

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognised in the statement of financial position. All below fair value measurements are recurring.

	30 June 2025 (Unaudited)				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Investments	93,276,458	93,276,458	--	--	93,276,458
	93,276,458	93,276,458	--	--	93,276,458

During the period there have no transfers in fair value hierarchy for the financial assets held at fair value.

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**14. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)**

Other financial instruments such as cash and cash equivalents, dividend receivables management fee payable and accrued expenses are short-term financial assets and financial liabilities whose carrying amounts are approximate to their fair values. Cash and cash equivalents are classified under level 1 while the remaining financial assets and liabilities are classified under level 3.

**15. FINANCIAL RISK MANAGEMENT**

***Exposure***

Risk management is an integral part of the investment and the operational process. Risk management can be distinguished in financial risk management, operational risk management and independent risk measurement. Financial risk management encompasses all elements of the investment process. A number of risk management systems allow the Fund Manager to notice any deviations from intended positioning and targets. Operational risk management encompasses the four areas of potential losses: processes, systems, people and external events. Risk management is an independent function, which is functionally separated from the operational department and portfolio management.

The Risk Management department is primarily responsible for identifying and controlling risks. The Fund Board supervises the Fund Manager and is ultimately responsible for the overall risk management of the Fund.

The Fund has exposure to the following risks from financial instruments:

- credit risk;
- liquidity risk;
- market risk; and
- operational risk.

***Risk management framework***

The Fund maintains positions in non-derivative financial instruments in accordance with its investment management strategy. The Fund's investment portfolio comprises of listed equities in Saudi Stock Exchange (Tadawul).

The Fund Manager has been given discretionary authority to manage the assets in line with the Fund's investment objectives. Compliance with the target asset allocations and the composition of the portfolio are monitored by the Fund Manager on a daily basis. In instances where the portfolio has diverged from target asset allocations, the Fund Manager is obliged to take actions to rebalance the portfolio in line with the established targets, within prescribed time limits.

***Credit risk***

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund.

The Fund is exposed to credit risk on its balance held with custodian. For risk management reporting purposes, the Fund considers and aggregates all elements of credit risk exposure such as individual obligor default risk, country risk and sector risk.

The Fund's policy over credit risk is to minimize its exposure to counterparties with perceived higher risk of default by dealing only with counterparties that meet the certain credit standards.

Credit risk is monitored on a regular basis by the Fund Manager to ensure it is in line with the investment guidelines of the Fund.



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**15. FINANCIAL RISK MANAGEMENT (CONTINUED)**

***Credit risk (continued)***

The Fund's activities may give rise to settlement risk. 'Settlement risk' is the risk of loss due to the failure of an entity to honor its obligations to deliver cash, securities or other assets as contractually agreed.

For all of transactions, the Fund mitigates this risk by conducting settlements through a regulated broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

The table below shows the maximum exposure to credit risk for the component of the statement of financial position:

	<b>30 June 2025</b>
Cash and cash equivalents	<b>10,308,944</b>
Dividend receivable	<b>121,295</b>
	<b><u>10,430,239</u></b>

The Fund does not have a formal internal grading mechanism. Credit risk is managed and controlled by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties. Credit risks are generally managed on the basis of external credit ratings of counterparties.

***Allowance for impairment***

The Fund has investments in only equity securities classified as FVTPL. Hence, no impairment allowance is recorded in these financial statements as per IFRS 9. The Fund's cash and cash equivalents are held mainly with counterparties having "A-" credit rating. Credit risk relating to the financial instruments is considered to be not significant.

***Liquidity risk***

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Fund Manager's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, including estimated redemption of units, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund's terms and conditions provide for the subscriptions and redemptions of units on a daily basis and it is, therefore, exposed to the liquidity risk of meeting the Unitholder redemptions at any time.

The Fund Manager monitors the liquidity requirements on a regular basis and seeks to ensure that sufficient funds are available to meet any commitments as they arise.

The Fund's investments in listed securities are considered to be readily realizable because they are actively traded on the Saudi Stock Exchange (Tadawul).

The Fund manages its liquidity risk by investing predominantly in securities that it expects to be able to liquidate within a short period of time.

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**15. FINANCIAL RISK MANAGEMENT (CONTINUED)**

***Liquidity risk (Continued)***

The contractual maturity profile of the financial assets and financial liabilities of the Fund is as follows:

<b>30 June 2025</b>	<b>Within 3 months</b>	<b>3 to 12 months</b>	<b>More than 1 year</b>	<b>No fixed maturity</b>	<b>Total</b>
Cash and cash equivalents	10,308,944	--	--	--	10,308,944
Dividend receivable	121,295	--	--	--	121,295
Investments at fair value through profit or loss	--	--	--	93,276,458	93,276,458
<b>Total financial assets</b>	<b>10,430,239</b>	<b>--</b>	<b>--</b>	<b>93,276,458</b>	<b>103,706,697</b>
Management fee payable	175,716	--	--	--	175,716
Accrued expenses	59,547	--	--	--	59,547
<b>Total financial liabilities</b>	<b>235,263</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>235,263</b>
<b>Net position</b>	<b>10,194,976</b>	<b>--</b>	<b>--</b>	<b>93,276,458</b>	<b>103,471,434</b>

***Market risk***

Market risk is the risk that changes in market prices – such as commission rates, foreign exchange rates and equity prices – will affect the Fund's income or the fair value of its holdings in financial instruments.

The Fund's strategy for the management of market risk is driven by the Fund's investment objectives as per the Fund's terms and conditions. The Fund's market risk is managed on a timely basis by the Fund Manager in accordance with the policies and procedures in place. The Fund's market positions are monitored on a timely basis by the Fund Manager.

***Currency Risk***

Currency risk is the risk that the value of a financial instrument will fluctuate due to a change in foreign exchange rates. The fund's functional currency is SAR. All the Fund's financial assets and liabilities are denominated in SAR. Hence, the Fund is not subject to currency risk.

***Equity price risk***

Equity price risk is the risk that the value of financial instruments will fluctuate because of changes in market prices.

The Fund's investments are susceptible to equity price risk arising from uncertainties about future prices. The Fund Manager manages this risk through diversification of its investment portfolio in terms of industry concentration.

The table below sets out the effect on net assets attributable to the Unitholders of a reasonable possible weakening in the individual equity market prices of 10% at reporting date. This is calculated based on the Beta of the Fund as measured in-house by the Fund Manager. Beta calculates the responsiveness of the Fund's price to changes in the Tadawul All Shares Index (TASI). The estimates are made on an individual investment basis. The analysis assumed that all other variables, in particular interest and foreign currency rates, remain constant.

		<b>30 June 2025</b>
	<b>+8.47%</b>	<b>8,767,987</b>
Effect on net assets (equity) attributable to the Unitholders	<b>-8.47%</b>	<b>(8,767,987)</b>

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**15. FINANCIAL RISK MANAGEMENT (CONTINUED)**

***Market risk (Continued)***

**Commission rate risk**

Commission rate risk arises from the possibility that the changes in commission rates will affect either the fair values or the future cash flows of financial instruments. The Fund Manager monitors positions daily to ensure that it is maintained within established gap limits, if any. The Fund does not have commission bearing financial assets or financial liabilities. Hence, the Fund is not subject to commission rate risk.

***Operational risk***

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Fund's activities with financial instruments, either internally within the Fund or externally at the Fund's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behavior.

The Fund's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns to the Unitholders.

The primary responsibility for the development and implementation of control over operational risks rests with the Risk Management team. This responsibility is supported by the development of overall standard for the management of operational risk, which encompasses the controls and processes at the service providers and the establishment of service levels with the service providers, in the following areas:

- documentation of controls and procedures;
- requirements for:
  - appropriate segregation of duties between various functions, roles and responsibilities;
  - reconciliation and monitoring of transactions; and
  - periodic assessment of operational risks faced
- the adequacy of controls and procedures to address the risks identified;
- compliance with regulatory and other legal requirements;
- development of contingency plans;
- training and professional development;
- ethical and business standards; and
- risk mitigation, including insurance if this is effective

**16. LAST VALUATION DAY**

The last valuation day of the period was 30 June 2025.

**17. EVENTS AFTER THE END OF THE REPORTING PERIOD**

There are no events subsequent to the statement of financial position date which require adjustments of or disclosure in the condensed interim financial statements or notes thereto.

**18. APPROVAL OF CONDENSED INTERIM FINANCIAL STATEMENTS**

These condensed interim financial statements were approved by the Fund Board on 03 Safar 1447H (corresponding to 28 July 2025).